



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285
DAVE GOETZ
COMMISSIONER**

**FOR IMMEDIATE RELEASE
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March Revenues

Nashville – On an accrual basis March is the eighth month in the 2002-2003 fiscal year. Department of Revenue tax collections were \$633.6 million. The collections include new revenue collected under the Tax Reform Act of 2002.

March revenues were \$4.7 million less than the budgeted estimates, Finance and Administration Commissioner Dave Goetz announced today. The general fund had a \$400,000 undercollection and the four other funds undercollected by \$4.3 million.

Sales tax collections were \$100,000 more than the estimate. Adjusted for the rate change and the single article cap, sales tax collections declined by 0.40% for the month. For August through March, the adjusted growth is 1.33%.

Franchise and excise taxes combined were \$85.2 million for the month. Collections were \$2.4 million more than the budgeted estimate. For eight months revenues are \$10.3 million undercollected.

Gasoline taxes and motor vehicle registrations in March were \$4.6 million less than the budgeted estimate of \$87.5 million.

Year-to-date collections for eight months are \$13.8 million less than the budgeted estimate. The general fund has an undercollection of \$31.6 million and the four other funds are overcollected by \$17.8 million.

The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the second session of the 102nd General Assembly in June of 2002.

<p style="text-align: center;">REVENUE COLLECTIONS MARCH, 2003, AND 8 MONTHS YEAR-TO-DATE</p>
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March Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$514,250,000	\$513,891,000	(\$359,000)
Highway Fund	54,156,000	52,585,000	(1,571,000)
Sinking Fund	18,660,000	18,653,000	(7,000)
City & County Fund	49,123,000	46,234,000	(2,889,000)
Earmarked Fund	2,112,000	2,244,000	132,000
Total	\$638,301,000	\$633,607,000	(\$4,694,000)

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$4,312,953,000	\$4,281,394,000	(\$31,559,000)
Highway Fund	384,246,000	398,533,000	14,287,000
Sinking Fund	151,586,000	151,623,000	37,000
City & County Fund	409,473,000	413,049,000	3,576,000
Earmarked Fund	20,561,000	20,402,000	(159,000)
Total	\$5,278,819,000	\$5,265,001,000	(\$13,818,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	March		Change	Percent
	2002	2003		
Franchise & Excise	\$75,983,000	\$85,215,000	\$9,232,000	12.15%
Income	6,763,000	8,380,000	1,617,000	23.91%
Inheritance & Estate	5,899,000	5,174,000	-725,000	-12.29%
Gasoline	39,638,000	38,438,000	-1,200,000	-3.03%
Petroleum Special	4,211,000	4,165,000	-46,000	-1.09%
Tobacco	5,735,000	9,249,000	3,514,000	61.27%
Beer	1,250,000	1,389,000	139,000	11.12%
Motor Vehicle Registration	21,066,000	30,190,000	9,124,000	43.31%
Motor Vehicle Title	919,000	1,000,000	81,000	8.81%
Mixed Drink	2,922,000	2,997,000	75,000	2.57%
Business	695,000	2,124,000	1,429,000	205.61%
Privilege	12,177,000	13,689,000	1,512,000	12.42%
Gross Receipts	(1,000)	(12,000)	-11,000	-1,100.00%
TVA - In Lieu of Tax Payments	16,544,000	16,407,000	-137,000	-0.83%
Alcoholic Beverage	2,335,000	2,612,000	277,000	11.86%
Sales and Use	349,315,000	402,418,000	53,103,000	15.20%
Motor Vehicle Fuel	13,347,000	10,083,000	-3,264,000	-24.45%
Severance	83,000	85,000	2,000	2.41%
Coin-operated Amusement	3,000	4,000	1,000	33.33%
Total	\$558,884,000	\$633,607,000	\$74,723,000	13.37%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - March		Change	Percent
	2001-2002	2002-2003		
Franchise & Excise	\$486,725,000	\$520,189,000	\$33,464,000	6.88%
Income	22,132,000	17,107,000	-5,025,000	-22.70%
Inheritance & Estate	58,935,000	51,636,000	-7,299,000	-12.38%
Gasoline	376,881,000	397,387,000	20,506,000	5.44%
Petroleum Special	41,084,000	40,205,000	-879,000	-2.14%
Tobacco	53,880,000	73,469,000	19,589,000	36.36%
Beer	10,340,000	11,706,000	1,366,000	13.21%
Motor Vehicle Registration	130,354,000	140,258,000	9,904,000	7.60%
Motor Vehicle Title	6,890,000	7,125,000	235,000	3.41%
Mixed Drink	23,470,000	24,698,000	1,228,000	5.23%
Business	3,394,000	3,381,000	-13,000	-0.38%
Privilege	117,660,000	127,765,000	10,105,000	8.59%
Gross Receipts	15,606,000	10,590,000	-5,016,000	-32.14%
TVA - In Lieu of Tax Payments	133,709,000	133,009,000	-700,000	-0.52%
Alcoholic Beverage	20,160,000	22,700,000	2,540,000	12.60%
Sales and Use	3,072,139,000	3,579,614,000	507,475,000	16.52%
Motor Vehicle Fuel	99,666,000	103,031,000	3,365,000	3.38%
Severance	746,000	703,000	-43,000	-5.76%
Coin-operated Amusement	12,000	428,000	416,000	-
Total	\$4,673,783,000	\$5,265,001,000	\$591,218,000	12.65%

Table 3
August - March Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ 4,600,000	\$ 200,000	\$ 4,800,000
Income Tax	(2,900,000)	(1,500,000)	(4,400,000)
Inheritance Tax	(5,800,000)	0	(5,800,000)
Privilege Tax	2,400,000	(100,000)	2,300,000
Gasoline & Motor Vehicle Registration	900,000	20,600,000	21,500,000
Other Taxes	<u>(20,500,000)</u>	<u>(1,400,000)</u>	<u>(21,900,000)</u>
Sub-Total	\$ (21,300,000)	\$ 17,800,000	\$ (3,500,000)
F & E Taxes	<u>(10,300,000)</u>	0	<u>(10,300,000)</u>
Total	<u><u>\$ (31,600,000)</u></u>	<u><u>\$ 17,800,000</u></u>	<u><u>\$ (13,800,000)</u></u>